

Surface Examination Report
 Mineral Mountain, Negro Mag Wash Area
 State Volcanic Material Leases ML-3092
 Beaver County, Utah

Date of Inspection: June 19, 1995
 Conducted by: William M. Stokes, SITLA, Minerals
 Conditions: Excellent
 Lands: SE $\frac{1}{4}$ Section 2, T. 27 S., R. 9 W. SLM

On June 19, 1995 a surface examination was conducted on the above referenced volcanic material leases that encompasses Utah State trust lands as listed above. Map 1 of this report depicts the various feature observed on the subject lands.

Utah State volcanic materials lease ML-3092 is currently held by Monitor Minerals LTD. and includes 160 acres in the SE $\frac{1}{4}$ of Section 2, T. 27 S., R. 9 W. The purpose of this report is to identify current mine related disturbances that can be found on the subject lands.

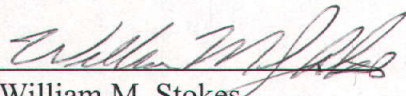
The subject land lie approximately 1 mile east of the Bundell geothermal generation plant in Beaver County, Utah. Access is via the main road which is partially paved and partially improved dirt, that leads to the Bundell Generating Plant from State road # 257, just north of the town of Milford.

There are two areas of mine related disturbance on the subject leased lands. The mined areas are depicted as site "A" and site "B" on the map of the subject lands which accompany this report.

Site "A", which is the southern most mined area, appears to be the location of the most recent mining activity. This activity may have occurred late in the Fall of 1994 or early in the Spring of 1995. It appears that portions of the main road and a turnout of the main road leading to site "A" have been widened. The access road is approximately 909 feet long and 15 feet wide. The road turnout disturbance is approximately 100 feet wide and 100 feet long. Both the access road and the turnout create a disturbance of approximately 23,635 sq. ft. or approximately .54 acres. (See Photo # 1) The mining at site "A" had disturbed an area which is approximately 50 feet wide and 120 feet deep, equal to about 6,000 sq. ft. or approximately .14 acres. (See Photo # 2) Of some concern is a 25 foot high wall that has been cut into the fractured rock at site "A". This high wall could pose a safety hazard. Total mine related disturbances at site "A" covers approximately .68 acres.

The mine disturbance at site "B" appears to be quite old and may not be the responsibility of the current Lessee. Site "B" shows no evidence of recent mine activity as both the mine area and the access road are overgrown with grass and sagebrush. (See Photos 3 & 4) The old access road is approximately 650 feel long and approximately 10 feet wide or approximately .15 acres of

disturbance. The old mine area at site "B" is approximately 60 feet long and approximately 20 wide or approximately .02 acres. Old mine related disturbances at site "B" total approximately .17 acres.

A handwritten signature in dark ink, appearing to read 'William M. Stokes', is written over a horizontal line.

William M. Stokes

Minerals Resource Specialist



Photo. # 1, Looking west from the main mine area at site "A". This road has been widened to access the mine at site "A". Arrow # 1 shows location of the turnout which has also been enlarged by mining activity. Arrow # 2 show the location of the Bundell geothermal power plant.



Photo # 2, Looking north onto the main mine area at site "A". Note the condition of the 25 foot high wall at the back of the excavated area. This high wall is slightly undercut in places and may pose a safety hazard.



Photo # 3, Looking northwest along the main access road to mine site "B" on ML-3092. Note that the road is overgrown with sage and grass and appears not have been used for a considerable time.

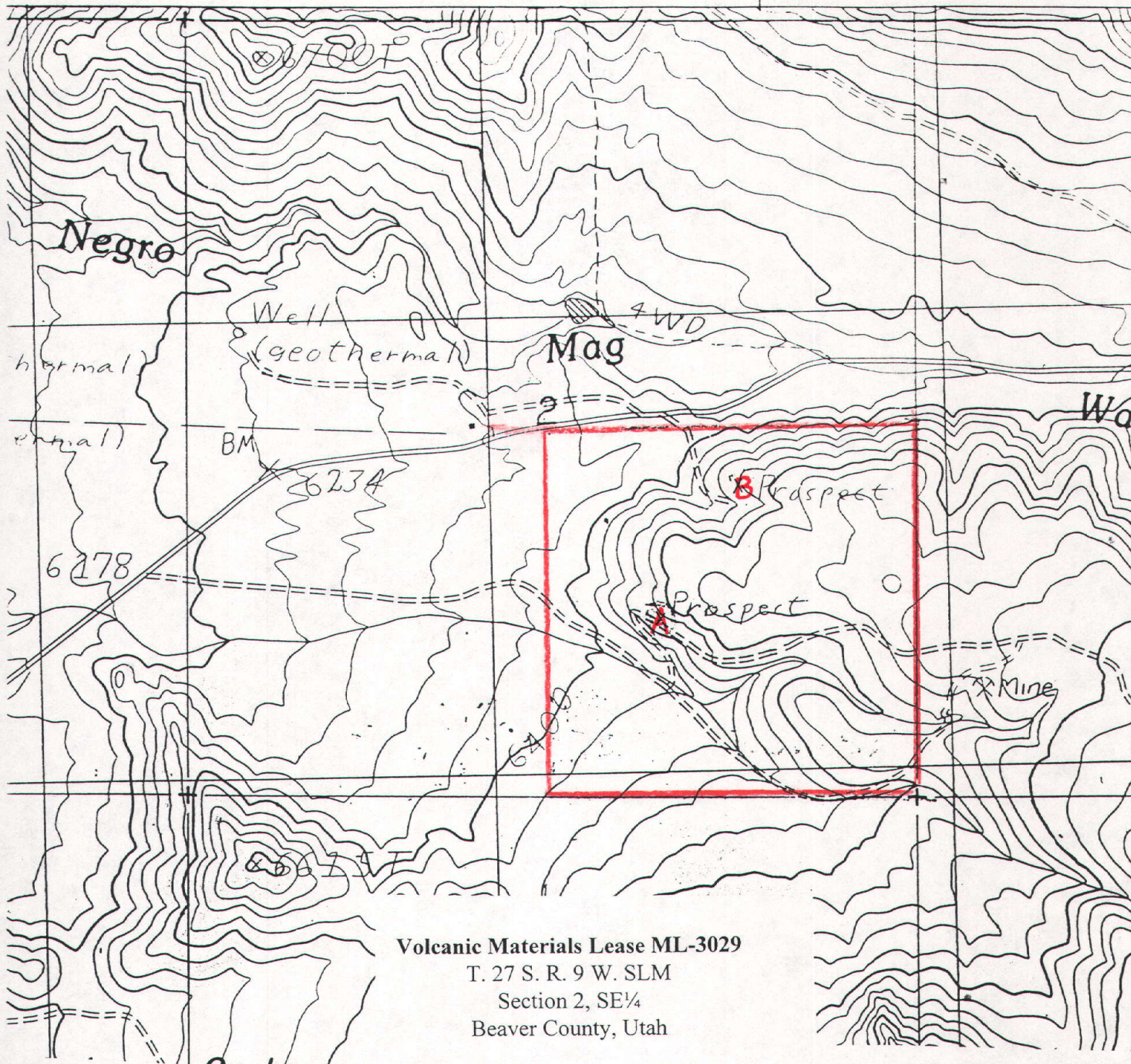


Photo # 4, Looking north onto the mine disturbance at site "B". Note the old mine site has been overgrown with sage and juniper.

339

340 50'

341



— Lease Boundary

A & B Existing Mined Areas